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Analysis of the St. George, Utah Housing Market

As of July 1, 2004

ECONOMIC RESEARCH

U.S. Department of Housing and Urban Development

Foreword

This analysis has been prepared for the assistance and guidance of the U.S. Department of Housing and Urban Development (HUD) in its operations. The factual information, findings, and conclusions may be useful also to builders, mortgagees, and others concerned with local housing market conditions and trends. The analysis does not purport to make determinations regarding the acceptability of any particular mortgage insurance proposals that may be under consideration in a particular locality or the housing market area.

The factual framework for this analysis follows the guidelines developed by HUD's Economic and Market Analysis Division. The analysis and findings are as thorough and current as possible based on information available on the "as-of" date from local and national sources. As such, any findings or conclusions may be modified by subsequent developments. HUD wishes to express its appreciation to those industry sources and state and local government officials who provided data and information on local economic and housing market conditions.

This analysis takes into consideration changes in the economic, demographic, and housing inventory characteristics of the market area during three periods: from 1990 to 2000, from 2000 to the as-of date of the analysis (Current date), and from the Current date to a Forecast date. The analysis presents counts and estimates of employment, population, households, and housing inventory as of the 1990 Census, 2000 Census, Current date, and Forecast date. For purposes of this analysis the forecast period is 36 months.

The prospective demand expressed in the analysis should not be construed as a forecast of building activity; rather, it presents the prospective housing production that would maintain a reasonable balance in demand-supply relationships given the market's condition on the as-of date of the analysis. This analysis was prepared by George H. Antoine, Economist in the Denver HUD Office, based on fieldwork conducted in May 2004. Questions regarding the findings and conclusions of the analysis may be addressed to Mr. Antoine at 303–672–5289 and at george_h._antoine@hud.gov.

Housing Market Area

The St. George, Utah Housing Market Area (HMA) is defined as the St. George metropolitan statistical area, which consists of Washington County. The county is in the extreme southwest corner of Utah, 110 miles northeast of Las Vegas, Nevada. Its boundaries include the northern extension of the Mojave Desert that touches both the Arizona and Nevada state lines. The U.S. government and state agencies own nearly 85 percent of the county's land. St. George is the largest municipality in Washington County, accounting for an estimated 55 percent of the county's population. The city is the economic and service center for the HMA, as well as for much of southwestern Utah and northeastern Arizona. Smaller towns of Washington, Santa Clara, and Ivins are adjacent to the city of St. George, while Hurricane and LaVerkin, situated east of St. George, are within commuting distance to the city.

Summary

The St. George HMA economy has slowed from the elevated levels of the 1990s when nonfarm employment grew by 8.6 percent a year. The deceleration started with the stock market decline and the U.S. recession in 2001, followed by the September 11, 2001, terrorist attacks. These events affected the local tourism, retirement, and construction industries; nonfarm employment growth fell below 5 percent in 2002 and 2003. As the national economy recovered and confidence returned to the markets, employment growth has shown signs of improving and is expected to modestly accelerate over the next 3 years.

Despite a reduced-speed economy, in-migration continued at the levels recorded during the 1990s, averaging about 3,300 people a year. A continued flow of retirees moving to the area and students enrolling at Dixie State College (DSC) of Utah in St. George helped keep in-migration at a stable level. The population of the St. George HMA is estimated to be 109,900 people as of July 2004.

The current demand-supply conditions in the sales and rental markets of the HMA are generally tight. The strong demand for new and existing sales housing reflects relatively low interest rates, demand from owners of second homes, and an increasing number of retirees relocating to the area. The rental market, although tight, has been pressured by low interest rates and a preference for homeownership. Only recently have rent increases been feasible after flat rents persisted during the previous few years.

With in-migration continuing at a high level since 2000, anticipated population growth should average 4.4 percent a year. This growth, coupled with declining household size, is expected to add 5,550 households to the HMA over the forecast period. Including replacement needs and given current market conditions, annual demand during the 3-year forecast period is estimated to be 1,600 units of sales housing. This figure is slightly above the annual absorption rate of owner-occupied housing since 2000 and excludes seasonal units. Demand for rental housing is forecast at 210 units a year, also higher than the average annual absorption since 2000.

Economy of the Area

The St. George HMA is known as “Utah’s Dixie” because of its temperate climate and original role as a cotton-producing area. The city established itself as the county seat and the trade and service center for much of southern Utah. Tourism flourished because of the area’s scenic beauty and proximity to Grand Canyon, Zion, and Bryce Canyon National Parks, which are part of the Grand Circle of national parks. Over time, the HMA gained a reputation as a retirement area, and in the 1960s bolstered its reputation with the construction of several golf course communities. “Snowbirds” from northern Utah and other colder areas relocated to the area or purchased vacation homes. During the winter months, the county’s population swells by up to 20,000 people as second homes fill with part-time residents.

Low business costs and wages have attracted a growing manufacturing base. Small businesses in the area make a variety of products, including pharmaceuticals, food products, cabinetry, concrete items, and steel fabrications. Another major pillar in the area’s economic base is the recently opened Dixie Regional Medical Center. The $110 million state-of-the-art facility serves southern Utah and bordering counties in neighboring states. The leading private-sector businesses in the HMA employing more than 250 workers are Intermountain Health Care, Wal-Mart, SkyWest Airlines, and Cross Creek Manor. Service-providing employment accounts for more than 80 percent of nonfarm employment.

Also contributing to recent economic growth is the presence and growth of Dixie State College. Enrollment at DSC continues to climb and is up by 24 percent over the past 5 years to a fall 2003 enrollment of 7,682 students. In 2000, the 2-year college expanded its curriculum by offering 4-year bachelor’s degrees in several program areas. This expansion helped attract more students seeking degrees full-time, which impacted the housing market to a greater extent than the typical part-time students pursuing 2-year associate’s degrees. About 300 full-time, year-round faculty and staff work at the college, and another 500 are employed part time during the academic year. DSC’s annual budget is $27 million.

The economy of the HMA is one of the fastest growing in the nation. From 1990 to 2000, nonfarm employment grew at an annual average rate of 8.6 percent. Much of the growth occurred during the first half of the decade when a weak California economy brought a wave of Californians to the area, creating a huge demand for residential and commercial development. Construction boomed, and nonfarm employment grew by nearly 13 percent a year from 1993 to 1995.

This population-driven economy backed off some in the second half of the decade, but the momentum for trade and service development continued. “Big box” stores such as Wal-Mart, Home Depot, Target, Lowe’s, and Costco opened during the late 1990s and early 2000s. The trends in employment from 1990 through the Current date are presented in Tables 1, 2, and 3.

Since 2000, slower growth began with the U.S. recession in 2001 and the September 11 terrorist attacks; both events resulted in travel and tourism sluggishness. Area trade, service, and construction businesses responded by merely slowing their rates of expansion, while manufacturers recorded some small losses. Helping offset this slowdown was growth in student enrollment at DSC, low interest rates that stimulated housing construction, and completion of the Dixie Regional Medical Center. Yet nonfarm employment slowed from the 5- to 6-percent range of the late 1990s to 4.6 and 4.4 percent in 2002 and 2003, respectively. The annual average unemployment rate increased to 4.4 percent in 2003 from 3.2 percent in 2000, still well below the state and U.S. rates.

By the end of 2003 and into 2004, the economy began to return to its pre-2000 growth rates. Fueled by renewed confidence in the U.S. economy, the secondary impacts of retirees moving to the area, and a booming construction sector, total employment during the 12-month period ending in May 2004 was up by 6.4 percent compared with a similar period a year ago. The 2004 unemployment rate of 3.4 percent improved from the 4.3 percent recorded 1 year earlier.

Bright spots on the horizon are related to both demographics and economics. Retiring "boomers" will continue to seek moderate climates with ample amenities and services. Strong real estate prices in the western states, especially California and Las Vegas, Nevada, encourage retirees to relocate to relatively lower cost areas. Other economic news will also give the economy a positive outlook over the next 3 years. A replacement airport could begin construction in the next few years, bringing direct jet service to the area and enhancing the area's desirability for business and residential locations.

Employment is projected to grow by 5 to 6 percent a year during the forecast period. All sectors are expected to grow, but most job growth will continue to be in construction, trade, health care, and business services. Employment growth rates will return to those of the second half of the 1990s but will remain below the boom levels of the early to mid-1990s.

Household Incomes

Since 2000, income increases in the area have moderated from the 1990 to 2000 period because of the economic slowdown. According to HUD's Economic and Market Analysis Division, the median family income (MFI) in the St. George HMA was estimated to be $45,900 in 2004, a 9.5-percent increase since the 2000 Census, or 2.3 percent a year. This figure is below the state MFI of $57,100 and is the lowest of the state's metropolitan areas. Between 1990 and 2000, the average annual rate of increase in the HMA was 3.8 percent.

Population

The population of the St. George HMA is estimated to be 109,900 as of July 1, 2004, an average annual increase of about 4,600 people, or 4.7 percent a year from the 2000 Census. From 1990 to 2000, population grew by 41,794 people, or 6.4 percent a year. In-migration accounted for 80 percent of the population gain during this period, while the change from net natural increase (resident births minus resident deaths) accounted for the balance. More than 60 percent of the in-migration for the decade occurred from 1991 to 1995 when a weak California economy brought many residents to the area.

Since 2000, population growth slowed due to the weaker economy and fewer working families moving to the area. While growth slowed, a continued inflow of retirees and students helped keep the absolute number of in-migrants at a relatively stable level. Also, change as a result of net natural increase became more of a factor as the population base grew. This increase accounted for 28 percent of the population gain since 2000 compared with the 20-percent increase recorded between 1990 and 2000.

Based on the level of economic growth forecast, in-migration anticipated during the period, and the expected growth in net natural increase, the number of people would increase annually in absolute terms. The rate of growth, however, will continue to decline from the last decade when the population base was smaller. As of July 1, 2004, the population of the HMA is estimated to be 124,900. The trends in population from 1990 through the Forecast date are presented in Table 4.

Households

The trend in growth in the number of households in the St. George HMA parallels the changes in the area’s population since 1990. Currently, 37,100 households are in the HMA, representing an annual increase of 5.2 percent, or 1,680 households a year since 2000. This increase is below the 10.9-percent annual increase recorded between 1990 and 2000. The high rate of household formations during the previous decade resulted from a dramatic decline in household size. The average household size decreased from 3.14 to 2.97 persons, a result of smaller worker and retiree households moving to the area.

As with population growth, household growth will also be slower during the forecast period. Total households will grow at an average of 1,820, or 4.7 percent a year. Households will grow slightly faster than population because of a continued decline in household size, although not as fast as in the previous decade. Table 4 presents trends in households from 1990 through the Forecast date for the HMA.

Housing Inventory

In response to the rapid population and household growth, the housing inventory of the St. George HMA grew significantly since 1990. From 1990 to 2000, the housing inventory in the HMA increased by 87 percent to 36,478 units. Additions to the inventory decelerated slightly from 2000 to the Current date. Currently, 45,130 housing units are in the HMA. Table 5 presents housing, inventory, and vacancy trends from 1990 to the Current date for the HMA.

Because of overbuilding during the 1980s, the 1990s started with a relatively low level of single-family permit activity. Single-family permit activity recorded its lowest numbers of the decade in 1990. Construction picked up in 1992 and 1993, growing swiftly because of a rush of employment and in-migration to the area. The decade-high number was quickly reached in 1994 when permits were issued for 1,934 homes. Building settled down some during the second half of the 1990s. Trends in building permit activity from 1990 to July 1, 2004, are presented in Table 6.

Low interest rates from 2000 to the Current date stimulated single-family permit activity to a new annual record with 2,322 units in 2003. The year 2004 is well ahead of last year's record level. Through the first 5 months of 2004, permit activity is up by about 50 percent from last year at this time. Since 2000, just over half of the single-family permit activity in the HMA has been in the city of St. George.

Multifamily construction from 1990 to 2000 also started at a low level as the market continued to absorb a surplus of units built earlier. With the rapidly expanding economy, hurried by a prospective increase in impact fees, builders added about 1,240 multifamily units from 1993 to 1996, or about 310 units a year. These units accounted for 65 percent of the multifamily permits issued during the decade and contributed to the ensuing market weakness. For the decade, 1,905 multifamily permits were issued. Owner-occupied townhouses and condominiums accounted for about 25 percent of multifamily production. From 2000 to the Current date, multifamily construction shifted from condominiums and low-income housing tax credit (LIHTC) apartments to more townhouses and market-rate apartments. Nearly 80 percent of multifamily construction occurred within the city limits of St. George.

An estimated 250 rental units are under construction, including the first large market-rate project in 10 years. Also under construction are privately sponsored off-campus student housing units, small LIHTC family projects, and a few two- to four-unit market-rate structures.

Availability of developable land will not be an impediment to growth in the HMA over the next 20 years. St. George is in the process of annexing two large parcels of land. Preannexation public hearings are ongoing for the 10,000-acre South Block parcel bordering the city limits to the Utah-Arizona border. A mix of commercial and residential zoning is planned that would tie into the planned Dixie Beltway, a highway system circling the greater St. George area. The 5,000-acre Ledges area northeast of St. George is aimed at high-end residential development. The local council of governments estimates that annexable land and land already in city limits are sufficient to eventually support a population of 300,000 people, assuming adequate water availability.

Housing Vacancy

Strong economic growth and a shift of both inventory and preference to own a home have led to an increase in homeownership since 1990. In 1990, 70.8 percent of all households in the HMA were owners. By 2000, the homeownership rate increased to 73.9 percent. From 2000 to the Current date, the rate increased to 75.5 percent. Much of the shift in tenure from 1990 to 2000 and from 2000 to the Current date reflects continued low interest rates and the ability of builders to construct homes at prices to meet the growing demand.

The sales vacancy rate has been relatively stable in the HMA since 1990, increasing slightly from 3.5 percent in 1990 to 3.8 percent in 2000, and then falling back to 3.5 percent as of the Current date. The stability of the owner vacancy rate and its relatively high level in comparison with other market areas in the nation reflects the continued strong demand for new homes as a result of the rapid increase in new households moving to the HMA seeking homes.

Low interest rates worked both ways on the rental market. The strong sales market helped take some units out of the rental stock, while more renters were able to own a home. A cutback in condominium construction helped relieve an earlier glut of units that made its way to the rental market, allowing the rental market to arrive at more balanced conditions by 2000. The vacancy rate of 7.3 percent recorded in 2000 improved to a tighter 6.0 percent as of the Current date. Vacancy and tenure data for both owner and rental units in the HMA are presented in Table 5.

Sales Market Conditions

Conditions in the St. George HMA sales market continue to be very strong for both new and existing homes. According to the Washington County Board of Realtors®, between 1997 and 2003, the average price of a single-family home increased on average by 5.2 percent a year. The number of homes sold more than doubled during this same period, while 2003 set a record for both annual average price increase and number of sales. The market continued this acceleration in 2004; during the first 6 months of 2004, sales activity is 62 percent ahead of last year's record pace. The average sales price is up by 15.9 percent to $202,982. The recent strong market is fueled by low mortgage interest rates that have enabled former renters to become owners and retirees or those near retirement to either move to the area or purchase a home with the expectation of moving to the area. An overheated Las Vegas housing market also has made the St. George area a feasible alternative for retirees and others who want to locate in a warm climate, yet be within an easy drive to the "big city" amenities.

The strong single-family market has pressured the townhouse and condominium markets over the past few years. Previously, the market was overbuilt and prices and activity stayed flat or declined. The average sales price was actually lower in 2002 than in 1997. As the single-family market strengthened and fell out of reach for some households, the lower priced townhouse and condominium market became a feasible option. Sales and prices accelerated in 2003. The average sales price for the townhouse and condominium markets increased by 10.1 percent to $125,804 in 2003, while the number of sales was up by 22.8 percent in 2003 and 35.2 percent during the first 6 months of 2004.

The Southern Utah Homebuilders Association reported that new single-family home sales were up by 23.0 percent during the first 5 months of 2004 compared with a similar period 1 year ago. New homes make up about 40 percent of the market and are, on average, priced about $10,000 to $15,000 higher than existing home prices. Builders have concentrated on the standard price range of $150,000 to $200,000. Patio homes and townhouses for seniors range from $170,000 to $220,000. Homes are about 10 percent less costly outside the greater St. George area.

As of June 2004, the number of active single-family listings—1,200 homes—is down by about 10 percent from a year ago. Homes move more quickly in or near the city limits compared with homes located in the outlying areas to the east of the city. Also, higher priced homes will likely remain on the market for a longer time. Active listings for townhouses and condominiums have held steady. With fewer townhouses and condominiums under construction, the inventory of existing for-sale units should begin to decline.

Rental Market Conditions

The rental market is balanced too tightly for general occupancy market-rate projects. Some marginal seasonal variance occurs in occupancy from June through August when students leave the area and part-time residents are least likely to occupy their units. With only 250 students residing in DSC's on-campus residence halls, most students live at home or in the more than 1,300 furnished bedrooms in several different apartment projects that rent by the academic year. A survey conducted in May 2004 by D&T Properties shows that for nonsubsidized properties the vacancy rate was 6 percent; the vacancy rate for subsidized properties, including LIHTC units, was closer to 3 percent. Lastly, low vacancy rates have begun to pressure rents upward that had remained relatively flat during the previous few years largely due to a lack of new market-rate product and competition from homeownership. More than 70 percent of the rental stock in the HMA is in St. George city.

The 1990 to 2000 period began with an overbuilt rental market and ended with more balanced conditions. The market was pressured by a weak condominium market that put many rentals in the inventory at the start of the decade. As the market began to recover, another surge of building hit the market, and the cycle repeated itself during the second half of the 1990s. The relatively flat rents kept market-rate apartment production mostly on hold during this decade. Several LIHTC projects entered the market but had difficulty achieving the maximum allowable rent under the program. Strong employment growth and new household formations helped absorb these units, and by 2000 the market attained more balanced conditions.

From 2000 to the Current date, the rental market has gone from balanced to somewhat tight conditions. The rental market slowly tightened because of the ever-strengthening home sales market that took some single-family and condominium rentals off the market. Rents began to increase for the first time in years, and after years of a dearth of conventional building, the first large, market-rate projects broke ground in 2003. They include the first multiamenity, higher rent project that is now leasing up as the buildings come online. Two student housing projects under construction should be ready for the 2004–05 academic year. Only a few large projects are under review by permit offices in the HMA as of the Current date. The pipeline of projects under construction or in the immediate pipeline does not appear to be excessive.

Approximately 900 LIHTC units have been built in the HMA over the past 20 years. This figure excludes older projects that were refinanced under the state's acquisition and rehabilitation program. About 750 of these newer units are for families and 150 are for seniors. Rents in these projects are mostly below market rates, although the maximum 60-percent rents are close to the market rate. Because of the low market rents, most of these units are affordable to households earning less than 50 to 55 percent of area median income (AMI). As of the Current date, the average vacancy rate in these rent-restricted developments is about 3 percent. New LIHTC projects generally lease up quickly, providing rents are below the 50-percent-of-AMI level.

The market for federally assisted, rent-subsidized units has strengthened. As of July 1, 2004, approximately 400 units are available to income-qualified family and elderly households that receive federal subsidies. Because rent is based on income, much demand exists for this type of subsidy. The number of people on waiting lists for public housing, vouchers, and Section 8 projects, now estimated at 200, has doubled during the past few years.

Forecast Housing Demand

Based on anticipated household growth, replacement needs, and current market conditions, demand exists during the 3-year forecast period for approximately 5,500 new housing units, or an annual demand of 1,830. Demand for owner-occupied homes will be 4,860 units over the 3-year forecast period, slightly higher than the annual absorption of owner units since 2000. Most of the demand will be for single-family detached homes. Manufactured homes, townhouses, and condominiums are expected to meet some of the demand. These numbers exclude the demand for second homes or seasonal housing. Demand will be slightly less in the first year of the forecast period because of the small surplus in the number of owner units currently under construction.

For rental housing, demand during the 3-year forecast period will be 640 units. The market will support more units in the first year as the market goes from tight to more balanced conditions, while second- and third-year demand will return to the recent (since 2000) annual absorption rate. At present, about 250 rental units are under construction. These units are a mix of market-rate, LIHTC, and student units. This level of construction, while exceeding typical levels, will also help relieve the small shortage of rental units and help bring the market into balance. Demand will be for affordable market-rate and LIHTC products. Table 7 presents the average annual demand by rent and unit size.

Table 1

Labor Force and Total Employment

St. George HMA

1990 to June 1, 2004 (Annual Average)

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	Previous 12 Mos.	Current 12 Mos.
Labor Force	19,226	21,157	22,776	26,247	31,005	32,679	34,609	35,411	37,092	37,373	39,166	43,129	45,435	47,927	46,089	48,752
Total Employment	18,483	20,143	21,766	25,318	30,084	31,602	33,366	34,254	35,691	37,373	39,166	41,505	43,367	45,817	43,958	46,707
Unemployment	743	1,014	1,010	929	921	1,077	1,243	1,157	1,401	1,413	1,315	1,624	2,068	2,110	2,131	2,045
Rate (%)	3.9	4.8	4.4	3.5	3.0	3.3	3.6	3.3	3.8	3.6	3.2	3.8	4.6	4.4	4.6	4.2

Source: U.S. Department of Labor, Bureau of Labor Statistics

Table 2

Nonfarm Employment

Standard Industrial Classification (SIC)

St. George HMA

1990 to 2000 (Annual Average)

Employment Sector	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Total Nonfarm Employment	14,867	16,151	17,429	19,712	23,322	25,842	27,924	28,852	30,426	31,914	33,597
Mining	106	166	141	176	213	159	141	152	163	171	188
Construction	1,004	1,177	1,386	19,929	2,873	3,105	3,181	3,194	3,453	3,822	4,009
Manufacturing	1,562	1,497	1,589	1,746	1,942	1,991	2,167	2,208	2,292	2,400	2,387
Trade, Communication, & Utilities	869	881	860	965	1,133	1,284	1,439	1,475	1,610	1,630	1,627
Retail & Wholesale Trade	4,416	4,855	5,192	5,987	7,398	8,138	8,870	9,157	9,357	9,833	10,296
Finance, Insurance, & Real Estate	518	656	723	818	984	1,039	1,151	1,060	1,198	1,244	1,300
Services	3,715	4,068	4,525	4,916	5,389	6,426	6,984	7,350	7,846	8,120	8,896
Government	2,677	2,851	3,013	3,175	3,390	3,700	3,991	4,256	4,507	4,694	4,876
Total Change (%)	n/a	8.6	7.9	13.1	18.3	10.9	8.1	3.3	5.5	4.9	5.2

Source: Utah Department of Workforce Services

Table 3

Nonfarm Employment (North American Industry Classification System)

St. George HMA

2001 to 2003 (Annual Average)

Employment Sector	2001	2002	2003
Total Nonfarm Employment	35,719	37,349	38,998
Goods-Producing	6,690	6,833	7,380
Construction & Mining	4,433	4,477	4,878
Manufacturing	2,376	2,356	2,503
Service-Producing	29,029	30,516	31,618
Trade, Transportation, & Utilities	9,127	9,520	9,611
Wholesale & Retail Trade	6,884	7,192	7,178
Transportation & Utilities	2,244	2,328	2,368
Information	672	706	856
Financial Activities	1,489	1,609	1,696
Professional & Business Services	2,419	2,672	2,677
Educational, Health, & Social Services	4,267	4,792	5,110
Leisure & Hospitality	4,877	4,928	5,115
Other Services	956	1,114	1,148
Government	5,221	5,336	5,404
Federal	491	494	497
State	1,071	1,046	1,018
Local	3,658	3,797	3,890
Total Change (%)	n/a	4.6	4.4

Source: Utah Department of Workforce Services

Table 4

Population and Household Trends

St. George HMA

April 1, 1990 to July 1, 2007

	April 1, 1990	April 1, 2000	Current Date	Forecast Date	Average Annual Change					
					1990 to 2000		2000 to Current		Current to Forecast	
					Number	Rate (%)	Number	Rate (%)	Number	Rate (%)
Population										
St. George HMA	48,560	90,354	109,900	124,960	4,180	6.4	4,179	4.7	4,600	4.4
Households										
St. George HMA	15,256	29,939	37,100	42,540	1,468	10.9	1,680	5.2	1,820	4.7

Notes: Rate of change calculated on a compound basis.
Numbers may not add to totals due to rounding.
Sources 1990 and 2000: U.S. Census Bureau
Current and Forecast: Estimates by analyst

Table 5

Housing Inventory, Tenure, and Vacancy

St. George HMA

April 1, 1990 to July 1, 2004

	St. George HMA		
	April 1990	**April 2000**	**Current**
Total Housing Inventory	19,523	36,478	45,130
Occupied Units	15,256	29,939	37,090
Owners	10,805	22,130	28,000
%	70.8	73.9	75.5
Renters	4,451	7,811	9,085
%	29.2	26.1	24.5
Vacant Units	4,267	6,540	8,045
Available Units	798	1,490	1,595
For Sale	388	878	1,016
Rate (%)	3.5	3.8	3.5
For Rent	1,251	837	2,350
Rate (%)	8.4	7.3	6.0
Other Vacant	3,469	5,050	6,450

Sources: U.S. Census Bureau
HUD economist

Table 6

Residential Building Permit Activity

St. George HMA

1990 to June 1, 2004

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004[a]
St. George HMA															
Total	799	978	1,166	2,043	2,302	1,903	1,829	1,445	1,605	1,528	1,551	1,822	2,083	2,738	1,374
Single-family	777	974	1,131	1,835	1,934	1,645	1,422	1,266	1,373	1,336	1,357	1,626	1,898	2,322	1,231
Multifamily	22	4	35	208	368	258	407	179	232	192	194	196	185	416	143

[a] January 2004 through June 1, 2004.

Source: U.S. Census Bureau, C40 Construction Reports

Table 7

Estimated Qualitative Annual Demand for New Market-Rate Rental Housing

St. George HMA

July 1, 2004 to July 1, 2007

One Bedroom		Two Bedrooms		Three Bedrooms	
Monthly Gross Rent ($)	**Units of Demand**	**Monthly Gross Rent ($)**	**Units of Demand**	**Monthly Gross Rent ($)**	**Units of Demand**
500	140	600	280	700	200
550	110	650	220	750	150
600	100	700	180	800	130
650	90	750	160	850	120
700	70	800	130	900	100
750	60	850	100	950	90
800	50	900	80	1,000	80
900	40	1,000	60	1,100	70
1,000	30	1,100	50	1,200	60
1,100	0	1,200	40	1,300	30
1,200	0	1,300	30	1,400	0
1,300 or more	0	1,400 or more	0	1,500 or more	0

Notes: Distributions above are noncumulative. Demand of fewer than 10 units is shown as 0.
Source: Estimates by analyst